Manitoba Jobs Fund

Government of Manitoba

INVESTING IN OUR FUTURE

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PREMIER'S MESSAGE

I am pleased to be able to present a review of the Manitoba Jobs Fund for 1983-84, as well as to share with you the new directions the Fund will be taking in the next year.

When we convened the economic summit conference at Portage la Prairie in 1982 with the leaders of Manitoba's business, industry and labor communities, immediate job creation was identified as one of the pressing needs for our province to withstand the effects of the economic recession.

The Manitoba Jobs Fund was established to meet that need. Although final figures remain to be tabulated, it is apparent that more than 21,000 jobs were created through Jobs Fund initiatives in the last year, considerably more than had been anticipated. This means short-term jobs and permanent jobs; jobs for students and jobs for the employment disadvantaged; new jobs and jobs retained that might otherwise have been lost. The Jobs Fund helped put Manitobans back to work and in doing so, provided a much-needed boost to all sectors of our economy.

The job-creation statistics are excellent, but they could not have been accomplished without the help of business, of labour, of industry and of other levels of government. Preliminary estimates show that about 40 per cent of money committed to Jobs Fund-related projects came from the private sector and from municipal and federal governments, amounting to some $157 million.

As we enter the second year of Jobs Fund activity, I am confident that this spirit of cooperation will continue and that Manitoba will emerge from this period of economic uncertainty not only stronger, but also with a renewed sense of optimism for the future.

The 1984-85 fiscal year represents a period of transition for the Jobs Fund as we move from the crisis-oriented job-creation programs of the first year where government played the pro-active role, to one in which more permanent economic development will occur, with government acting more as a catalyst to assist other sectors of our economy in seizing the opportunities upon which long-term growth is based.

The Manitoba Jobs Fund represents investments by all Manitobans in the stability of our economy today, and in its expansion and growth tomorrow.

Thank you.

Howard Pawley

Howard Pawley, Premier of Manitoba

THE ORIGIN OF THE JOBS FUND

"Jobs mean income, and income means demand for the goods and services we produce. And jobs mean output at a time when we have a great deal of idle and under-utilized capacity. And jobs mean confidence . . . for young people struggling to find work for the first time . . . and for experienced workers — many of them heads of families — whose livelihoods have been lost or are in jeopardy. And jobs also mean a productive alternative, a positive alternative to Unemployment Insurance or social allowances. That is why it is imperative that we direct every available resource to creating and protecting as many jobs as we can."

With those words, Vic Schroeder, finance minister, introduced a new funding concept which would spearhead the Manitoba government's economic recovery and development program: the Manitoba Jobs Fund. The date was February 24, 1983.

The origin of the Jobs Fund actually stemmed from 1981 when the New Democratic Party government of Premier Howard Pawley was elected. At that time the Manitoba economy was in disarray, businesses were being forced into bankruptcy in increasing numbers, segments of the economy which had traditionally been strong contributors to stability and growth were reeling, and thousands of Manitobans, young and old alike, were suddenly without jobs and without prospect for finding new ones.

The first budget of the new government set out two main goals: to help strengthen and sustain the provincial economy and to underpin the economic foundation so that Manitoba would be in a position to take early advantage of a national recovery, and to provide as much protection and assistance possible to relieve Manitobans of the worst effects of national conditions and national policies. It contained a special appropriation of $10 million earmarked for job creation and an additional $50 million for new housing initiatives.

The creation of the Manitoba Jobs Fund in 1983 was the implementation of the first phase of the government's long-range economic strategy and its focus was to be primarily on the creation of jobs to lessen the employment crisis. It was a special, extra expenditure of provincial funds in ways that would create immediate jobs. The jobs were to be created in as cost-efficient a manner as possible and they were to be truly constructive jobs that would help to create lasting public assets, jobs that would provide work experience, jobs that would support growth in Manitoba businesses.

The government allocated $200 million for the Fund, assembled by extra borrowing, by reallocating monies from lesser priorities, by assistance from the Manitoba Government Employees' Association who accepted deferred salary increases to free up more money for job creation.

Matching Funds

The Fund consisted of operating and capital budget authority which could be spent directly on programs and projects, and of loan authority which could be used to support initiatives where loans could effectively stimulate job creation. A primary aim was to combine provincial expenditures wherever possible with contributions or matching funds from the private sector and the federal and municipal governments. This would extend the economic and job-creation effect beyond what provincial dollars alone could accomplish.

The cooperation of all sectors of the economy was seen as a prerequisite to any meaningful economic recovery. Although government would take a strong, active role in creating short-term job opportunities, it would be up to these other important actors — business, industry, labor — to provide lasting recovery and development initiatives for the future.

A committee of the provincial Cabinet chaired by the Premier was established to direct the uses to which the Jobs Fund monies would be put. Later, the Jobs Fund committee was combined with the Economic Resource Investment Committee of Cabinet, headed by the minister of the newly created portfolio of Industry, Trade and Technology, Eugene Kostyra.

One Authority

This restructuring brought the responsibility for job creation and economic development under one authority, ensuring that the logical interconnections were made between these two closely related areas.

The first phase of the government's long-term economic development strategy was in place, and job creation and the construction of lasting physical assets was its mandate. Later, as the need for immediate job creation lessened, it would turn its attentions to more permanent growth and expansion with strategic focus on specific areas where there are good opportunities for Manitoba.

MANITOBA JOBS FUND AT WORK

When the Manitoba Jobs Fund came into effect on April 1, 1983, approval of job-creation projects and programs was already under way in the provincial Cabinet committee. The government's economic development strategy — both short- and long-term — had been developed and required only the final details of the Fund's composition in order to be implemented.

The nature of the Fund's allocation to many diverse projects was shaped by: the desire to create immediate and long-term jobs; the need to address severe unemployment in certain sectors or regions, and the maximizing of private-sector and other governmental involvement.

The allocations largely fitted into a few broad categories: wage-assistance programs to help employers create new jobs; major and minor construction projects; matching grants to encourage municipalities and community organizations to undertake certain labor-intensive projects immediately; loan programs to stimulate home construction and renovation, and energy-conservation projects.

Wage assistance to employers who could create new jobs for unemployed Manitobans was provided by several different Jobs Fund programs. It provided funding for the Manitoba Employment Action Program in the spring of 1983 and reintroduced the program to provide new winter jobs in 1983-84. It was available to all southern Manitoba employers, 1,000 of whom hired a total of 1,700 unemployed Manitobans through the two phases of the program. Northern Manitoba businesses and unemployed persons were similarly assisted by the Northern Remote Communities Employment Program.

Jobs For Youth

The Jobs Fund introduced Careerstart, a wage-assistance program which helped more than 4,000 Manitoba businesses, farms, non-profit organizations and other employers create more than 6,300 jobs for young Manitobans between May and October. Careerstart gave both students and unemployed young people jobs related to their career ambitions, providing them with both financial remuneration and valuable work experience for future participation in the labor force.

The economic recession had meant a notable slowdown in businesses requiring engineering capacity and young Manitobans graduating from the province's universities in engineering and science in 1983 faced bleak employment prospects locally. In response to this situation, the Jobs Fund sponsored the Engineering and Science Graduates Program, a pilot program designed to assist employers provide jobs for these graduates while maintaining engineering capacity within their operations in anticipation of improved economic conditions.

The construction industry had been particularly hard hit by the recession and the Jobs Fund strongly supported this sector. Many construction projects were funded directly by the Jobs Fund to begin this year, including the expansion of the auto diesel shop at Red River Community College, an earth sciences centre at the University of Manitoba, a gymnasium at the Winnipeg School for the Deaf, school additions at Cranberry Portage and Crane River, an emergency services training college at Brandon and an extension to the Food Products Development Centre at Portage La Prairie. Numerous smaller renovation and improvement projects on public buildings were also undertaken, providing such things as improved medical centres in northern communities and tourist facilities in provincial parks.

Priority Projects

Heavy-construction projects were a priority for the Fund, which allocated $4.25 million to extra highway projects in 11 locations, put over $2.7 million into municipally cost-shared sewer and water projects and contributed $3.2 million to a street-repair program jointly funded with the City of Winnipeg.

Other municipalities and community organizations in southern Manitoba were also able to share costs with the Jobs Fund through the $7-million Municipal Community Assets Program, designed to permit immediate construction and renovation of local facilities in hundreds of communities. Heavy-construction jobs were an objective of this program, too, and many applications were approved for street repairs and bridge construction as well as public facilities such as firehalls and municipal buildings. For remote communities and Indian bands in northern Manitoba the Fund offered a similar initiative, the Northern Jobs Creation Program, which assisted 106 capital projects between October and March.

Home construction was stimulated by the Jobs Fund's support of the Homes in Manitoba Program, including Affordable New Homes — low-interest, long-term mortgages for families building new homes, the Buy and Renovate Program — subsidizing mortgages for Manitobans who buy and restore homes in older neighborhoods, the Infill Housing Program and the Non-Profit Housing Program.

Museum Expanded

Separate loans and grants from the Jobs Fund contributed to job creation in a wide variety of projects including the relocation and expansion of the Western Canadian Aviation Museum, participation in the modernization of Manitoba Forestry Resources' sawmill operations at The Pas, a program of mapping for mosquito-control programs with rural municipalities and a major commitment to the future redevelopment of Winnipeg's north Portage area.

By the end of the 1983-84 fiscal year, the Manitoba Jobs Fund has initiated and contributed to projects and programs which created jobs for more than 21,000 Manitobans. Over the 12-month period, the seasonally adjusted unemployment rate in Manitoba fell by 1.6 per cent, to 8.5 per cent, a rate still unacceptable but an indication that the Fund was meeting its objectives. Over that period, the Fund was responsible for maintaining an average of about 5,400 people in the work force at any given time.

As well, many projects initiated during the year involved future commitments for completion and will provide continued stimulus to the construction industry and job opportunities in the years ahead.

The Jobs Fund committed more than $200 million during the fiscal year, part of which will be carried over into 1984-85 in order to complete major projects and to pay out late claims from contractors and funding recipients.

Jobs Fund expenditures were supplemented by more than $97 million committed by municipal and federal governments and more than $60 million committed by the private sector, much of which might not have been spent on job creation in Manitoba without the existence of the Fund as a catalyst.

Spin-off activity in terms of further jobs and economic benefits created indirectly by the Jobs Fund is more difficult to measure, but is significant nevertheless. It should be noted, however, that beyond the measurement of jobs and assets created directly by Jobs Fund expenditures are the spin-off benefits to local suppliers of construction materials and to Manitoba's business community in general, which is strengthened by extra paycheques circulating and recirculating through the economy. And the human dividends which come from meaningful work rather than through social assistance are incalculable.

Successful Year

The Manitoba Jobs Fund had a successful year. While the province's unemployment rate is still above acceptable levels, it has been lowered significantly in the last 12 months through the efforts of the Fund. New capital assets have been created which will enhance the quality of life in hundreds of Manitoba communities. Workers have received valuable job experience.

The Fund's initial objective of creating employment quickly for thousands of Manitobans was achieved and this will continue to be an objective of future Jobs Fund activities which will expand to include the creation of long-term opportunities through major economic development initiatives and through its role as catalyst, participating with business, industry, labor and other levels of government, to ensure growth and stability for Manitoba's future.

MINISTER'S MESSAGE

The Manitoba Jobs Fund has just completed its first year of operation and it has shown that cooperative effort by all segments of our economy can produce tremendous results.

The first year was directed primarily to providing Manitobans with work and we were extremely successful in that regard. But the need for job creation still exists and we must continue to look ahead if we are to accomplish more lasting stability and growth. We were more fortunate than many other provinces in that our diversified economy allowed us to better withstand the impact of recession. If we are to fully recover we will need new initiatives and new investment to build on the strength of that diversity.

There is a dual challenge — for the present and for the future. We recognize that the task will not be an easy one. And we recognize that we must attach the highest priority to this task, focusing our efforts in a number of carefully directed ways.

I am pleased to be able to share with you some of the Jobs Fund initiatives we are planning for this year and for the future. There are 12 sectors of the Manitoba economy which have been identified in part because they offer great potential for long-term growth and in part because without government acting as a catalyst that potential might not be realized. We plan a coordinated, concerted approach to long-term development and one which, I am sure you will agree, is exciting and promising.

An integral part of our economic development strategy is building on the spirit of cooperation between labor, business, industry and government which highlighted the introduction of the Jobs Fund.

The 1984-85 Jobs Fund will continue to provide employment, but its role in our long-term economic development strategy will begin to change to one as the facilitator, or catalyst, for change and for the development necessary for long-term growth.

The Manitoba Jobs Fund is an investment in our future...its dividends are payable now, in terms of job creation and economic stimulation; its maturity in terms of economic development stretches far into our future.

Yours sincerely,

Eugene Kostyra, Chairperson
Manitoba Jobs Fund

JOBS FUND 1984-85

Implementation of the Manitoba government's second phase of economic development strategy will begin in the 1984-85 fiscal year. The initial phase was designed to address the immediate problems of high unemployment and a sluggish economy, problems which were met head on by the programs of the Manitoba Jobs Fund.

The second phase will continue those initiatives, but with a re-channeling of direction. The need for immediate action thrust the government into a pro-active role during the first year of the Jobs Fund. Now that it is apparent that the economy is on an upswing, the emphasis will be on programs which lead to a broader expansion of our economic foundation and which will result in more permanent growth.

The keys to that growth lie in the private sector — the business and industries which can create new opportunities through expansion or through the development of new companies.

There is still a place for governmental involvement in this process, but it is in the role of catalyst, of facilitator, to help business expand and grow. And there will be a need for the kinds of programs initiated through the Jobs Fund last year.

Building on the spirit of cooperation which characterized the first year of Jobs Fund activities — when labor and private and public sectors worked together to provide employment and other economic stimulus — the Jobs Fund has identified 12 sectors as essential to long-term stability and growth and it is to those sectors that government's role as the catalyst will be put to best advantage.

These target sectors are:

- **Agriculture** — to provide support for a strong agricultural base and expanding the value and range of products which lend themselves to further processing in the province;
- **Energy/Hydro** — support for energy conservation programs, extension of power lines to Churchill and continued development of our most-important energy resources;
- **Small Business** — support to offset current deficiences and encourage growth in capital investment and in employment opportunities both in traditional and non-traditional business ventures;
- **Technology** — to encourage Manitoba businesses to adapt and utilize existing technology of critical importance to improved productivity and profitability, but at the same time recognizing the human factor involved in the adaptive process;

- **Transportation** — to enhance Manitoba's status as a transportation centre, to develop innovative resources such as transportation equipment manufacturing, and to take an active role in the development of the Port of Churchill;

- **Cooperative Development** — to encourage more cooperative development and to explore innovative forms of cooperative ownership;

- **Community Assets** — to assist non-profit community organizations to create lasting physical assets while also providing employment;

- **Forestry** — to sustain Manitoba's timber supply and maintain the economic health of the forest industry;

- **Housing/Urban Development** — to continue to assist Manitobans to obtain affordable housing and to provide stimulus to and employment in the housing industry;

- **Provincial Capital Assets** — to continue construction and renovation of major capital projects of lasting value to all Manitobans and to provide further stimulus and employment in the construction industry;

- **Youth/Job Opportunities** — to provide employment and training opportunities for Manitoba students, graduates and other youth in both short- and long-term projects;

- **Development Agreements** — a concept formulated to provide a tool for working with individual companies wishing to locate or expand in Manitoba.

Many of these target sectors are interrelated and provide support for other sectors. Together they provide a cohesive, coordinated approach to long-term economic development. They represent investments in Manitoba's future, some of which are repayable in the short term and others which will continue to return benefits for Manitobans for many, many years.

AGRICULTURE/FOOD PROCESSING

From the earliest days of settlement, agriculture has been one of Manitoba's most important industries and sources of income and employment. Now a $2-billion industry, it employs more than 40,000 people.

Through the Manitoba Jobs Fund, the provincial government is attempting to sustain stable, steady growth for agriculture and to expand the food-processing industry.

The Jobs Fund will be used to support projects which strengthen the relationship between agricultural production and processing. The underlying principle is that a strong agricultural base, which includes enhanced productivity, strengthened farm management and preservation of soil and water resources, is essential in order to expand production of products which lend themselves to further processing in Manitoba.

The province has significant advantages in the food-processing area, including the availability of produce, skilled labor, an abundance of water and relatively inexpensive hydro-electric power.

Jobs Fund-supported initiatives for 1984 and beyond will build on those strengths, as well as pursuing new opportunities for the processing of specialty crops and meat products.

The Jobs Fund role will be primarily that of a catalyst, working with the private sector, with employers and entrepreneurs to encourage far-reaching initiatives. It will support the agricultural industry through joint investment and by assisting in the adaptation and utilization of proven technology.

And the Fund will continue to work in the areas of water and soil conservation to ensure the continued fertility of Manitoba's farm land.

These investments in an important segment of the economy will help to maintain a strong and healthy agricultural industry for the long-term future.

ENERGY/HYDRO

Manitoba is fortunate to have an abundance of relatively inexpensive electrical-generation resources to meet the needs of both its citizens and its businesses. Consumption totals approximately 14 billion kilowatt hours annually, more than 99 per cent of which is generated by water power.

The Manitoba Jobs Fund will continue the Cut High Energy Costs conservation programs in 1984 designed to assist business and residential consumers to reduce their energy requirements.

Energy Analysis

The Home CHEC-UP, launched in February, 1984, will offer home energy analysis to homeowners across Manitoba. Homeowners will receive an assessment of their home retrofit needs as well as advice on assistance programs which are available.

An energy-reduction grants program, Business and Community CHEC, will provide matching funds of up to $15,000 for businesses and community organizations to retrofit facilities to cut energy losses.

Another Jobs Fund program will provide grants to enable existing community-based organizations to provide direct assistance, education and advisory services for low-income and native people.

The Cut Home Energy Costs loan program, which offers homeowners loans of up to $1,000, payable on monthly hydro bills, to assist in home retrofitting, will be continued this year.

During 1983-84, approximately 4,500 loans were awarded under this program, involving nearly 500 suppliers and contractors with energy-related work across the province.

Churchill to Benefit

Manitoba's port community of Churchill will benefit from a joint program between the Jobs Fund and the Federal Government. The power transmission line will be extended 300 kilometres from Gillam, replacing the existing diesel generating system. This will reduce power bills for both business and government consumers, allowing grain-handling facilities to operate more economically and providing a stimulus for the expansion of commercial operations. Extension of the line will also provide an estimated 4,800 work weeks of employment.

The Jobs Fund will work closely with the Department of Energy and Mines in ensuring that Manitoba people and businesses share in future development of hydro-electric power resources.

SMALL BUSINESS

The recent economic downturn saw high inflation and high interest rates combine in an unprecedented fashion to deal the Canadian business sector an unexpected and severe blow.

In Manitoba, the diversification of business activities is a source of stability which has enabled the province to withstand the recession better than other provinces whose economies have been dominated by resource-related industries or large-scale manufacturing.

Although recovery is now under way, it is still a fragile period as businesses are still weak from the recession and remain in a vulnerable position.

Employment Opportunities

Manitoba business — particularly small business — requires assistance to hasten that recovery and return the economy to its normal stable position. Most businesses in the province are small, with more than 90 per cent of the 33,500 firms employing fewer than 20 people. However, it is from the small business sector that the greatest opportunity for new job creation exists. It is estimated that 60 per cent of all new employment opportunities will arise here.

The Manitoba government's long-term economic development strategy identifies several important areas which are key to the development and expansion of the small business community.

One such key area is in the adaptation and utilization of technology, which is essential to increasing productivity and competitiveness. Programs which are available at the federal level in the areas of research, technology and innovation are designed to appeal more to big business. Manitoba's technology adaptation strategies are aimed at smaller businesses and will be tailored to the provincial situation. (See Technology sector for more information on specific programs.)

Trial Program

In 1983, the provincial government introduced a one-year venture capital trial program which offered to participate with business in establishing or expanding small, independently owned and operated companies. The program provided an additional source of equity funding for both new and expanding small businesses, assisting them to broaden their capital financing arrangements and preserving jobs and creating new opportunities.

The program generated considerable interest, with the government participating in 11 venture capital companies and investing almost $1 million with Manitoba businesses. These activities created 167 new jobs and, equally important, allowed the retention of 137 more.

As a result of the success of the trial project, the venture capital program has been expanded and improved and has been brought under the umbrella of the Manitoba Jobs Fund as part of the government's over-all economic development strategy. The Fund will commit $4 million to this program over the next year and may enlarge to as much as $35 million over the next five years.

The program is available to all Manitoba companies and to Canadian-owned firms which are separately incorporated in the province. The emphasis is on medium-sized companies with priority given to: high technology; growth-oriented services; regional development considerations; export potential/import replacement; quality and quantity of jobs and economic benefits, and services which incorporate advanced technological/productivity-improvement concepts.

This would include such businesses as manufacturing and processing, agriculture and forestry products, commercial air and water transportation, welding and machine shops, heavy equipment repair and maintenance, selected farm services and other businesses which are supportive to the agricultural and forestry industries.

Special Shares

The Jobs Fund will participate in these ventures on a 35-65 per cent basis by taking special shares in the venture capital companies investing in these businesses.

This program allows private investors to share the risk of new small business ventures with the government, thus encouraging growth and development at a time when businesses are finding it difficult to take action on their own. The cooperation of business and government is vital to economic recovery and growth.

The Jobs Fund will also be actively supporting business development in smaller Manitoba communities and across the North with a number of new initiatives designed to assist communities in identifying commercial potential and in working towards their realization.

Planning is also under way to increase the participation of the business sector in the development of long-term strategy on small business and regional development.

Major Initiatives

The provincial government is also negotiating an important agreement with the federal government for a program which would provide major initiatives in book and periodical publishing, film making, recording and broadcasting and communication/information technology sectors. This agreement would strengthen and expand the cultural sectors of the economy.

The small business community is a most-vital part of long-term planning which leads to economic stability and growth. Jobs Fund programs to assist this sector, such as the Manitoba Employment Action Program which created more than 50,000 work weeks of employment in 1983-84, are investments which build on the spirit of cooperation between the different sectors of our economy and which will assist in the realization of that growth and stability.

TECHNOLOGY

Technological development — the continuous process of utilizing scientific knowledge to meet society's needs — is essential to the maintenance of employment and prosperity in Manitoba and to the provision of long-term growth opportunities.

The emphasis of the Manitoba government's economic development strategy is to encourage businesses to adapt and utilize proven technology, thereby enhancing productivity and competitiveness. Technology creation, typified by leading-edge businesses which create novel products and processes, though seen as more glamorous than the adaptive process, carries a higher risk and offers fewer prospects for employment. It will be promoted only in carefully selected areas where the province has a particular advantage.

Lead Agency

The Department of Industry, Trade and Technology and its agency the Manitoba Research Council, has the primary government responsibility for assisting businesses to learn about and adapt specific technology. It is responsible for the operation of the Industrial Technology Centre in Winnipeg and the Canadian Food Products Development Centre in Portage la Prairie which provide assistance in developing new products and manufacturing techniques.

Through the auspices of the Manitoba Jobs Fund, a number of initiatives will be developed and launched during the 1984-85 fiscal year to broaden opportunities for businesses and entrepreneurs to gain access to specific technology, generating employment and growth well into the future.

Programs are to be introduced to provide a continuum of assistance to businesses at different stages of development. They will:

1) attract, identify and provide services and assistance (technical, business and financial) to technological entrepreneurs to develop promising ideas which are appropriate to Manitoba's resources and location;

2) encourage business activities related to research and development carried out by research institutes and other organizations in the province. Such activities may include commercialization spin-offs, support services, suppliers and consulting services;

3) finance technology businesses selected primarily from and building upon the program for technological entrepreneurs mentioned above;

4) finance strategic research and development programs which are related to Manitoba strengths in fields assessed as having strong commercial application.

Critical Importance

Technological adaptation and development is of critical importance to Manitoba's future. Consideration is being given to providing a central resource and focus for all aspects of technological development.

Complementing the business/industrial application of technology, there will be increased emphasis through the Jobs Fund on information technologies. Since the 1970s, society has been rapidly changing from an industrial to an information society and that pace continues to accelerate.

The Manitoba government has identified opportunities presented by the changes taking place to embark on a strategy to deliver economic benefit to the province, strengthening and protecting its existing business base and expanding or generating new business activity. Focusing on the general theme of adaptation and application of available technology to the Manitoba environment, an information technology program has been established. This program is developing initiatives of market stimulation (both supply and demand) in three niches of opportunity: education, commercial offices, and in public administration.

The first of these markets will be addressed by the educational technology program, which is based on the recognition of the tremendous responsibility of educators to ensure that our children are equipped to live in the type of society that is evolving. While meeting the educational need, the program will provide the impetus for business stimulation including the development of educational courseware required to support the educational system.

It is estimated that by 1987 the Canadian market for educational courseware will grow from $10 million to $75 million in annual sales and this would appear to be an appropriate market for Manitoba business to enter.

The Jobs Fund, working with other government departments, educators and business, proposes to create Canada's first joint industry-government educational technology centre, to house consultants to educators, provide facilities to train teachers in all aspects of this technology, to create systems which would allow communication access to provincial, national and educational data banks, and create an industry educational display centre for hardware, software and courseware. The size of this program will depend upon negotiations undertaken with industry to be completed under the first of the program, which is to be completed by July 30.

Recognizing that the provincial government is one of the largest consumers of information technologies, the office and public technology programs were identified to marshall opportunities to attract or expand the industrial base in Manitoba. An initial thrust consists of establishing several pilot projects in coordination with industry and the federal government. A Telidon pilot project, which will improve delivery of government services, will provide improved access to government information and economic benefits through stimulation of the technology industry. This thrust will provide opportunities to existing businesses in Manitoba to expand their operations in using these technologies.

Human Factor

The human aspects of technological development will not be overlooked. The Jobs Fund will promote and facilitate organizational and human adjustments necessary to cope with technological change through the provision of consulting services, counselling, funding of studies and so on. Other specific initiatives in this area will be announced at a later date and input for further action will be obtained by an extensive program of discussions with the public, with labor and with management.

The health of Manitoba's economic future depends strongly on the wise use of technology and through these Jobs Fund activities, investments are being made to ensure a strong, stable future for all Manitobans.

TRANSPORTATION

Although Manitoba's location in central Canada has made it a national transportation centre with major rail, road and air links east and west, it is sometimes forgotten that this is the only Prairie province with a seaport as well.

That fact is well understood by Canada's agricultural industry as the Port of Churchill provides an important link to the overseas trading markets.

The Manitoba Jobs Fund, recognizing the importance of both the agricultural and transportation sectors to the provincial economy, will finance programs designed to strengthen and expand both sectors.

Rail Car Development

The Manitoba Government, as part of its long-term economic development program, is considering a major purchase of rail cars necessary for grain transportation, and projects for rail car development and refurbishing of existing rolling stock will also be developed.

In cooperation with the federal government, the Jobs Fund will provide funding for a study into the feasibility of extending the port's season, allowing increased grain shipments, and studying expanded marine and air resupply operations. These and other programs are part of a major transportation sub-agreement signed in April, 1984.

The Jobs Fund will also pursue the establishment of Winnipeg as a centre for expertise in the technological development and manufacture of advanced urban buses and other industry-related products, with a focus on research and development of prototype models and their demonstration.

World-Class Centre

Concurrent with those programs will be the creation of a world-class transportation institute which will focus on the practical needs of the shipping, carrier and equipment industries and government. This centre would also provide training for Canadians in the transportation industry and could be expanded to include Third World countries.

As well, the Jobs Fund will complete eight highway improvement projects initiated in 1983. An estimated 1,100 work weeks of employment will be generated in completing these projects.

These proposed transportation activities bode well for the expansion of this very vital segment of the Manitoba economy and represent an investment which will be widely felt across the province in the future. Working together with Manitoba business, the two levels of government are helping to strengthen to province's economic foundation.

COOPERATIVE DEVELOPMENT

The cooperative movement has played a vital role in Manitoba's economic growth. There are now over 400 co-ops, credit unions and caisses populaires with a combined membership in excess of 550,000 and assets of $2.5 billion. Co-ops also employ more than 10,000 Manitobans.

With this strong cooperative movement as a key resource, the Manitoba Jobs Fund will be exploring innovative forms of ownership which are in use in other parts of the world as a means of creating new industry and expanding job opportunities within established work sectors. Pilot projects may be undertaken where the cooperative model can be beneficially applied.

The Jobs Fund will assist in the development of an informational advocacy program to explain these innovative forms of ownership and it is anticipated that a feasibility assessment program may be introduced to cost-share the hiring of consultants to develop proposals. Management development programs would be a logical extension to assist this process in situations where evaluations show the viability of a business.

One of the employee concepts to be explored will be the avenue that utilizes the cooperative model which has proven successful in Europe, United States and in several Canadian communities.

The adaptation of these models and the use of proven mechanisms have the potential to play an important role in the growth and expansion of the province's economic foundation.

COMMUNITY ASSETS

The Manitoba government's economic strategy is designed to meet the cyclical concerns of high unemployment in the short term, while at the same time moving towards the longer term and more structurally based strategy. The need for immediate job creation may decline in time, but the goal of broadening and strengthening the province's economic foundations is a continuous one.

The Community Assets sector is an example of that strategy at work. The tangible results of programs and projects designed to encourage local participation in asset and job creation are visible in hundreds of communities throughout the province. Through the efforts of the Manitoba Jobs Fund and the cooperation and participation of local governments, community organizations and the private sector, many construction projects were undertaken — new firehalls, health centres, theatres, sewer and water projects and school additions.

Job Creation

The major Jobs Fund programs which initiated most of this activity were the Municipal Community Assets Program and the Northern Job Creation Program which provided assistance to southern and northern Manitoba communities respectively, and the New Employment Expansion and Development (N.E.E.D.) program, a federal-provincial initiative aimed at job creation for Unemployment Insurance exhaustees, social assistance recipients and those on union lay-off lists.

Approximately 55,000 work weeks of employment were created by these programs and projects, as well as much-needed activity for the construction industry.

Community Projects

In 1984, a Manitoba community assets program, which will be launched later in the year, will again provide capital assistance for construction, rehabilitation and renovation of small-to-medium-sized community projects, primarily those sponsored by non-profit organizations.

As well, a northern employment program will provide project funding assistance for remote communities.

By combining short-term job creation with the construction of lasting physical assets, the Manitoba Jobs Fund is helping to provide needed stimulus to the construction industry and important employment opportunities. It provides an immediate return on investment, as well as long-term benefits across the province.

FORESTRY

Manitoba's 256,926 square kilometres of forest land provide a vital component of the provincial economy. The gross value of the forest industry exceeds $400 million annually, with more than 10,000 people employed either directly or indirectly.

The industry is composed of two large companies, Abitibi-Price and Manitoba Forestry Resouces, 14 medium-sized operations, 312 smaller independent companies, 485 timber permit holders, 15 Indian community timber operators and approximately 11,000 fuelwood permit holders.

The annual harvest of Manitoba's forests covers approximately 21,850 hectares and yields more than 1.5 million cubic metres. Fire, however, claims an almost equal amount of timber each year, except for the 1980 season when fire losses were almost as high as the previous 10 year combined.

Maintain Employment

In order to sustain the Manitoba forest industry and maintain its employment and to prevent timber supplies from slipping below demand, the provincial government has implemented a 20-year program of forest management and renewal.

In March, 1984, the federal and provincial governments signed a five-year, $27-million forest renewal sub-agreement to enhance the development of adequate timber supplies and the efficient use of Manitoba forest resources.

However, that agreement will not meet all of Manitoba's forestry needs. The Manitoba Jobs Fund will contribute more than $6 million in funding for forestry-related activities, and forest industries will add an additional $1 million in forest-renewal projects.

The forestry renewal segment of the program is directed to land on which regeneration has not been successful. An extensive reforestation program will be undertaken, including expanding tree-nursery resources, production of seedlings, replanting and treating existing forest stands to ensure a sustained yield for the future.

Enhanced Productivity

Productivity of the forests will also be enhanced through more intensive management, including thinning to shorten the maturation period, which will significantly increase harvest levels.

The Jobs Fund will also be used to effect the transfer of the latest forest-management technology from research laboratories to the users and managers of the forests. This will also enhance data collection and analysis so that forest managers are better able to respond to critical questions concerning the resource. Improvement of electronic detection and communication equipment will help in protection of the forest from both fire and disease.

Forestry activities to be undertaken during this fiscal year are estimated to generate 15,000 work weeks of employment.

With almost 40 per cent of Manitoba's land area classified as forest, it is imperative that sound management techniques be applied, not only to sustain their yield, but also to allow the retention of jobs and to provide future growth for this important contributor to the economic well-being of the province.

HOUSING AND URBAN DEVELOPMENT

Housing construction in Manitoba slumped badly in 1981 and 1982 for a variety of reasons, including high and unstable interest rates and general economic instability and insecurity. Housing starts were only at the 2,000 level in each of those years, well below acceptable levels of activity and industry employment.

The Manitoba Jobs Fund, implementing the provincial government's first phase of economic recovery strategy, responded in 1983 with a number of initiatives designed to stimulate the construction industry, to provide short-term employment and to improve the availability of affordable housing stock, including the Affordable New Homes and Core Area Infill Housing programs, which accounted for more than 1,000 construction starts. Overall housing starts showed a three-fold increase over the previous year, to almost 6,000 units. Similar numbers of starts are projected for this year.

The programs, which included encouragement of construction, purchase or renovation of homes through mortgage assistance and other incentives, boosted the value of Manitoba's housing stock and generated more than 121,000 work weeks of employment at a time when it was needed most. These programs will create an additional 72,800 work weeks to complete projects in 1984.

A new program to be introduced by the Jobs Fund with Manitoba Housing will provide incentives for the creation of a substantial number of rental units in order to alleviate tight vacancy situations in both Winnipeg and other urban centres, as well as to maintain a high level of construction industry activity.

In addition, cooperative housing programs will support the development of both new units and the renovation of existing buildings.

These two programs are expected to generate more than 51,000 work weeks of employment.

Such initiatives by the Jobs Fund mean an important stimulus to the industry, as well as employment. They represent an investment of provincial and private-sector monies which will have long-term benefits for all Manitobans.

PROVINCIAL CAPITAL PROJECTS

The provision of major long-term physical assets for the province, while at the same time responding to the immediate need for jobs in the short term, is part of the Manitoba government's approach to economic recovery and growth.

Through the Manitoba Jobs Fund major construction projects have been undertaken for the benefit of Manitobans well into the future, at the same time giving a much-needed boost to the construction industry and providing thousands of work weeks of employment.

Among the major projects upon which work will continue in 1984-85 are:

- a gymnasium and addition at the Manitoba School for the Deaf;
- the Manitoba Fire College at Brandon to provide a training facility for firefighters;
- additions and renovations to Red River Community College to permit instruction in critical-skills metal trades relating to aerospace, manufacturing and other high-technology industries;
- a field house at the University of Winnipeg;
- the earth sciences centre at the University of Manitoba.

Other projects involve the raising and upgrading of dikes in nine communities, improving internal drainage systems through the construction of pumping stations, erosion control works and new emergency communications systems.

These projects are expected to generate more than 18,000 work weeks of employment this year.

The investment in projects such as these provide the short-term benefits of job creation and economic stimulation, but the assets created will serve Manitobans for many years.

YOUTH/JOB OPPORTUNITIES

Canada's youth have been among the hardest hit by the economic downturn and currently account for almost 40 per cent of the unemployed. In Manitoba, the unemployment rate for youth aged 15 to 24 is 14.7 per cent, down from 18.2 per cent a year ago and favorably comparable to the 20.3 per cent rate for all of Canada. Nonetheless this rate of unemployment among Manitoba's young people is still unacceptably high.

While unemployment among the young has traditionally been higher than among the total labor force, the recession produced dramatic increases, raising concerns regarding consequent social, educational, employment and labor market problems. Labor market flexibility was reduced with real losses in the number of jobs coupled with fewer opportunities opened up by people changing jobs.

Immediate Jobs

The requirements for the Manitoba Jobs Fund were apparent: create immediate jobs and improve opportunities for longer-term prospects.

The Careerstart program was introduced by the Jobs Fund in 1983 and assisted more than 4,000 Manitoba employers in creating over 6,000 new jobs for youth. An additional 350 young people were employed under the Northern Youth Corps, a government program supplemented by the Jobs Fund.

The Engineering and Science Graduates Program successfully provided longer-term employment support, placing Manitoba graduates in new technical jobs in industry, thereby strengthening the technological capacity of Manitoba businesses. Young people were also hired for approximately half of the jobs created by the Jobs Fund's general wage assistance program — the Manitoba Employment Action Program.

The major programs to be offered through the Fund this year are:

- **Manitoba Careerstart '84,** a wage assistance program to encourage businesses, farmers, cooperatives, credit unions, Indian bands and tribal councils, municipal and local governments and non-profit organizations to increase the number of summer jobs for students and unemployed youth. This program includes a special measures component which gives priority to projects hiring employment disadvantaged young people — the chronically unemployed, the disabled, immigrants, natives, single parents and women wishing to enter non-traditional occupations;

- **The Northern Youth Corps.** a program of grants to northern communities undertaking work projects beneficial to the community and providing meaningful job experience for students aged 15 to 19. The program will again be expanded through Jobs Fund support;

- **The Human Resources Opportunity Centres' Summer Student Program** which will be working with selected high schools to help students who have dropped out of school or may do so, by providing training and work experience placements on projects of community benefit. Counselling on careers and life skills is an important component of this program with an objective of encouraging return to school or other training;

- **The Business Internship Program** — an extension of the successful 1983 Engineering and Science Graduates Program — will provide varying levels of longer-term employment support to businesses offering highly skilled, permanent jobs for youth with high levels of education and training. Through this program, Manitoba young people with the special skills to contribute to business development can find the opportunities in their home province, and Manitoba business can expand their operations with this additional support from the Manitoba Jobs Fund;

- **Youth Enterprises** — the Fund will also be exploring means to assist Manitoba's young people to establish their own businesses.

The Jobs Fund will also be announcing a new wage assistance program — sensitive to regional needs and market developments — to commence in the fall of 1984. This program will support business expansion and new employment opportunities in the non-profit sector. It is estimated that this program will generate 52,000 work weeks of employment, 50 per cent of which will be directed to youth.

The United Nations has proclaimed 1985 as International Youth Year. The Manitoba Jobs Fund will continue its initiatives to benefit Manitoba young people in observance of this special year.

Investments in Manitoba youth are a vital component of long-term economic prosperity, to ensure Manitoba continues to flourish in the future.

DEVELOPMENT AGREEMENTS

As part of its long-term economic development strategy, the provincial government will be working cooperatively with the private sectors to encourage the establishment or expansion of major businesses in Manitoba.

Development agreements will provide a tool for the public and private sectors to work together to strengthen the economic foundation.

This program, to be administered through the Manitoba Jobs Fund, will provide a variety of incentives for businesses wishing to locate or expand. These could include loans or loan guarantees, equity investment, purchasing policy assurances, provision of training or industrial development hydro-electric rate grants during the start-up period.

In return, the businesses would be expected to make a similar variety of commitments, which could include such areas as level of employment, amount of investment, implementation of affirmative action programs and compliance with environmental standards.

Development agreements represent a promising vehicle for the over-all growth and stability of Manitoba's economy. They also provide the government with a degree of flexibility in working with businesses which are assessed as having long-term potential for benefits to the entire province.

The use of development agreements, which is seen as a five-year initiative, is a prime example of the second phase of the Manitoba government's economic development strategy, in which government will act as a catalyst and facilitator, with the private sector providing the necessary stimulus for long-term economic enhancement.

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POOR

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